



**Consolidated Financial Results
for the 1st Quarter of the
Fiscal Year Ending March 31,
2025 (FY2024 Q1)**

PERSOL HOLDINGS CO., LTD.
August 8, 2024

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PERSOL HOLDINGS CO., LTD.

Held from 15:15 to 16:00 on Thursday, August 8, 2024

Script of Financial Results Presentation for FY2024 Q1

Highlights



1

Summary of FY2024 Q1

- Revenue was 360.8 billion yen (+9.8% year on year), while adjusted EBITDA amounted to 22.9 billion yen (+20.7%). Operating profit totaled 16.9 billion yen (+15.6%).
- Adjusted EBITDA made 30.2 - 31.4% of progress toward the full-year financial forecast.

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FY2024 full-year financial forecasts

- Although uncertainty in the placement business will remain, performance is projected to be in the expected range.
- We plan to allocate unutilized marketing and recruitment investment as of the end of Q1 to Q2 and beyond while continuing to monitor market conditions.

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Topics

- 6th Platinum Career Awards
- 9th HR Technology Awards
- 13th Japan HR Challenge Awards

*1 FY2024 is the fiscal year ending March 31, 2025 (the same applies hereinafter).

*2 IFRS accounting has been applied since FY2023

*3 In these materials, figures from the previous fiscal year for each SBU are proforma figures based on a new allocation scheme for the employment of people with disabilities

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[President and CEO Wada]

Hello, I am Wada, CEO of PERSOL Holdings. Thank you very much for joining us today.

I have 3 points I would like to convey to you today. The 1st is the summary of the financial results for FY2024 Q1. The 2nd is FY2024 full-year financial forecasts. And the 3rd is the topics of our group. Let me start with the Q1 financial results summary. Revenue was 360.8 billion yen, an increase of 9.8% yoy, while adjusted EBITDA amounted to 22.9 billion yen, an increase of 20.7% yoy. Operating profit totaled 16.9 billion yen, an increase of 15.6% yoy.

Adjusted EBITDA made 30.2-31.4% progress toward the full-year financial forecasts.

The 2nd point is FY2024 full-year financial forecasts. Although the market is becoming more uncertain due to fluctuations in recent stock prices and significant changes in foreign exchange rates, we would like to be fully aware of the situation and will respond to it, but in light of these factors, we intend to keep our full-year forecasts within the range of assumptions we announced at the beginning of the fiscal year.

As of the end of Q1, we have some unutilized marketing and recruitment investments. This contributed partially to an upside in Q1, but we will continue to monitor the market conditions and plan to execute these investments appropriately.

The 3rd is topics. There are great news we'd like to share, as we uphold human capital management.

The 1st, is that we won Excellent Award at the 6th Platinum Career Award. We also won Excellence Award at the 9th HR Technology Award. Furthermore, we won Award for Excellence in Human Resource Management at the 13th Japan HR Challenge Awards. The contents will be explained later. Now, first, we will have CFO Tokunaga explain the financial results.

Summary of the Consolidated Financial Results for the Three Months Ended June 30, 2024

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[CFO Tokunaga] Hello, I'm Tokunaga, CFO. Please allow me to explain the Q1 financial results of FY2024.

Financial Results for FY2024 Q1 (Consolidated) Steady growth in both revenue and adjusted EBITDA



(Million yen)	FY2023 Q1	FY2024 Q1	YoY	FY2024 Full-Year Forecast (Progress)
Revenue	328,703	360,814	+9.8%	1,417,000 (25.5%) ~1,429,000 (25.2%)
Gross profit	75,103	84,111	+12.0%	-
Operating profit	14,675	16,966	+15.6%	52,000 (32.6%) ~55,000 (30.8%)
OP margin	4.5%	4.7%	+0.2pt	3.7% ~3.8%
EBITDA	21,782	24,815	+13.9%	-
EBITDA Margin	6.6%	6.9%	+0.3pt	-
Adjusted EBITDA	19,014	22,944	+20.7%	73,000 (31.4%) ~76,000 (30.2%)
Adjusted EBITDA margin	5.8%	6.4%	+0.6pt	5.2% ~5.3%
Profit(Q1)*	9,369	12,952	+38.2%	32,500 (39.9%) ~34,500 (37.5%)
Adjusted profit(Q1)	10,513	15,137	+44.0%	38,300 (39.5%) ~40,300 (37.6%)
EPS (Yen)	4.14	5.72	+38.2%	14.24 (40.2%) ~15.12 (37.8%)
Adjusted EPS (Yen)	4.62	6.63	+43.6%	16.79 (39.5%) ~17.66 (37.6%)

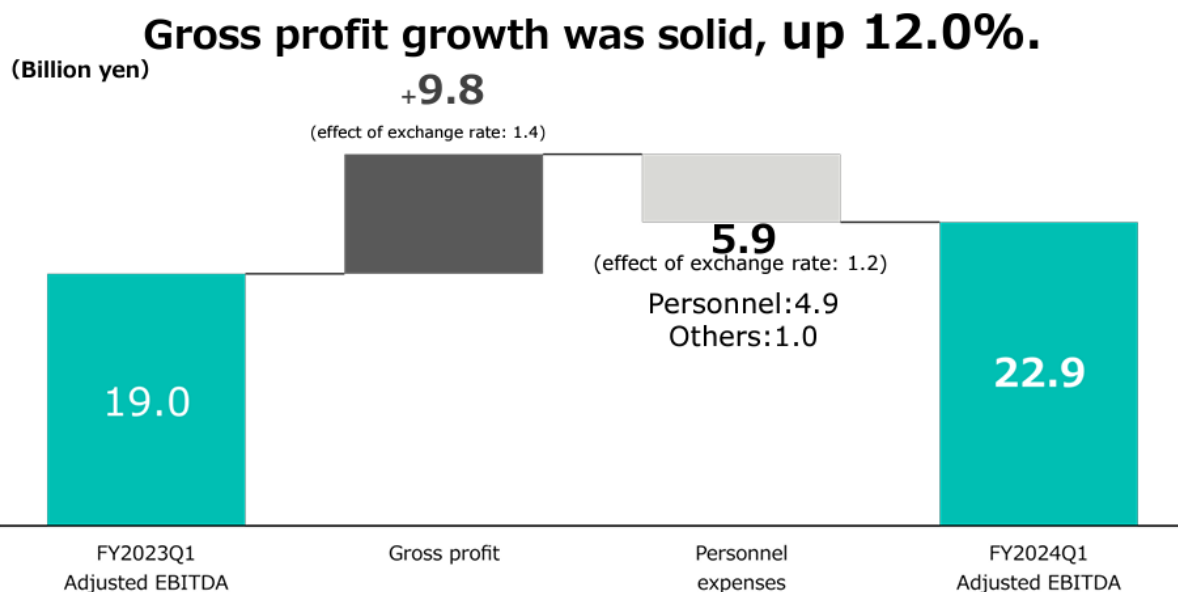
* Profit attributable to owners of parent

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As was mentioned earlier, revenue increased about 10% yoy to 360.8 billion yen. Gross profit increased 12% to 84.1 billion yen. Operating profit based on IFRS increased about 15% yoy to 16.9 billion yen. As for adjusted EBITDA, which the top management focuses on, increased about 20% to 22.9 billion yen. Q1 profit increased 38% yoy to 12.9 billion yen due to tax refund of about 1.3 billion yen at Programmed in Australia.

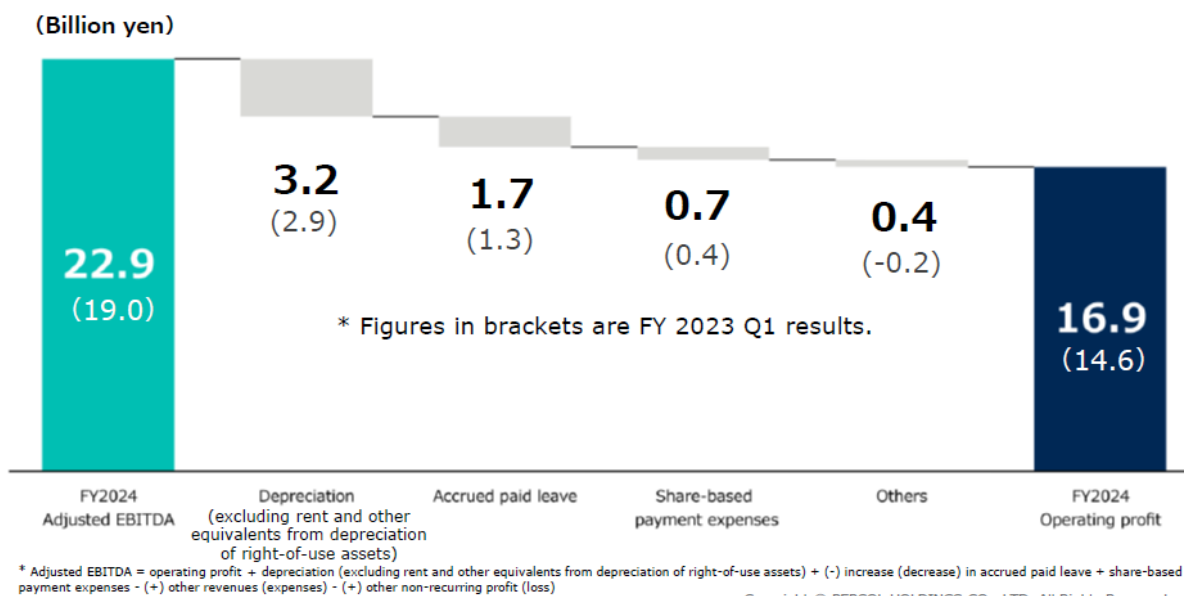
FY2024 Q1 Analysis of Increase/Decrease in Adjusted EBITDA (YoY)



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Next is the adjusted EBITDA gap yoy. Adjusted EBITDA in Q1 of FY2023 was 19.0 billion yen but in Q1 of FY2024 was 22.9 billion yen, due to gross profit increased 9.8 billion yen and SG&A expenses increased 5.9 billion yen. The impact of foreign exchange rate on the gross profit was 1.4 billion yen and on SG&A was 1.2 billion yen. Against the initial plan, (excluding the impact of foreign exchange rate,) gross profit grew around 2.0 billion yen, while SG&A was around 4.0 billion yen less.

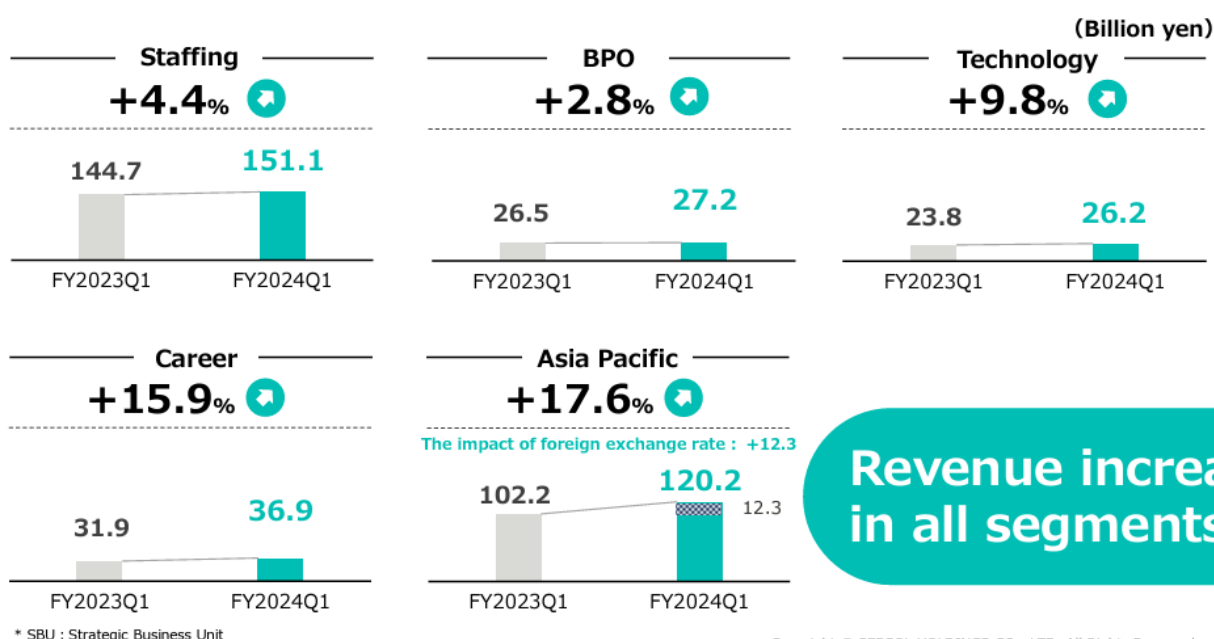
FY2024 Q1 Adjusted EBITDA and IFRS based operating profit breakdown



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This is FY2024 Q1 adjusted EBITDA and IFRS based operating profit breakdown. Adjusted EBITDA was 22.9 billion yen but IFRS based operating profit was 16.9 billion yen, as depreciation cost increased 0.3 billion yen yoy to 3.2 billion yen and accrued paid leave increased 0.4 billion yen yoy to 1.7 billion yen. Main reason for the increase in provision for paid leave is due to wage hike of employees.

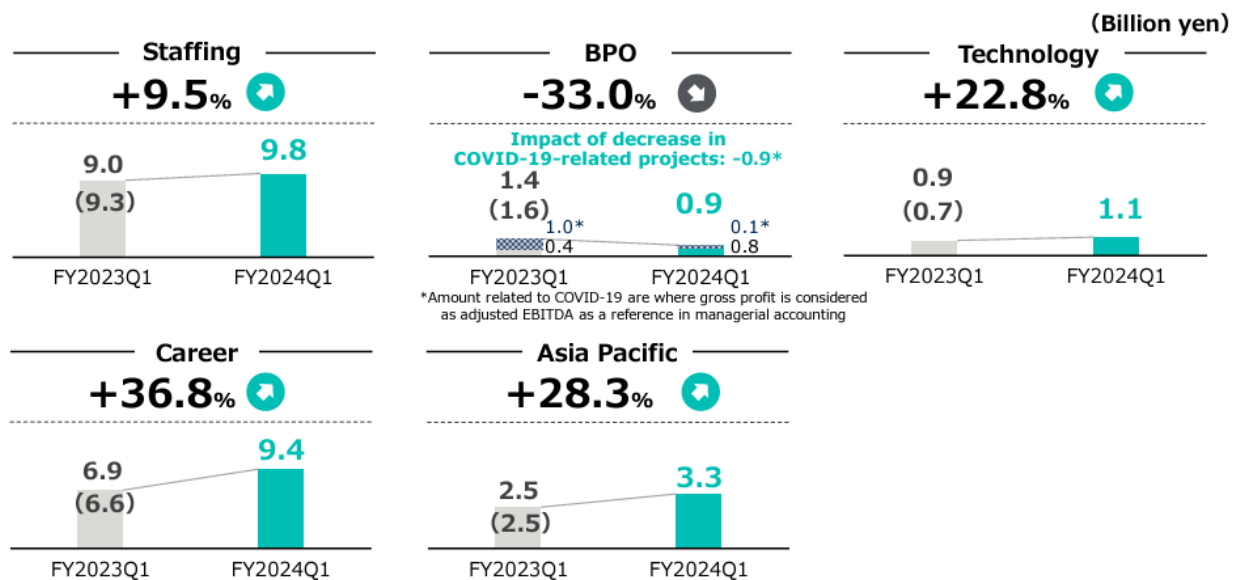
FY2024 Q1 Revenue by SBU



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This is revenue by SBU. As you can see, we achieved increase in revenue in all the segments. We achieved 16% revenue increase in Career SBU, which is the pillar of growth this fiscal year.

FY2024 Q1 Adjusted EBITDA by SBU



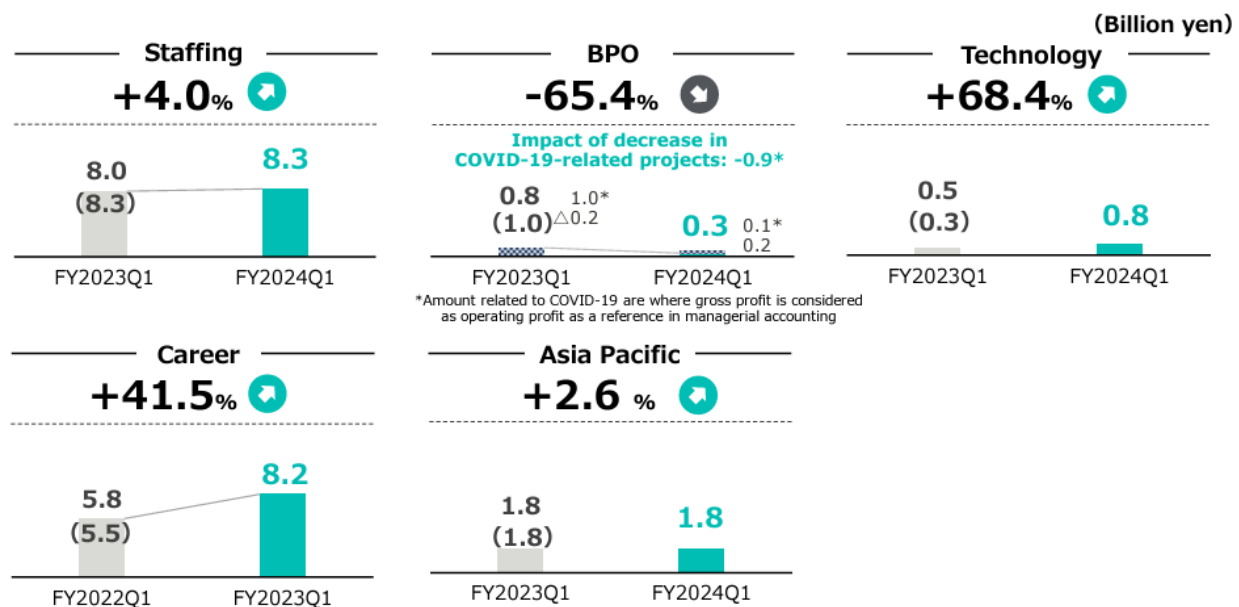
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This is adjusted EBITDA by SBU. BPO SBU saw a decrease of 33% as projects related to COVID-19 have almost been eliminated, but other SBUs achieved significant increase, as you can see.

FY2024 Q1 Operating Profit by SBU



In these materials, figures from the previous fiscal year for each SBU are proforma figures based on a new allocation scheme for the employment of people with disabilities. Figures in parentheses are before pro forma.

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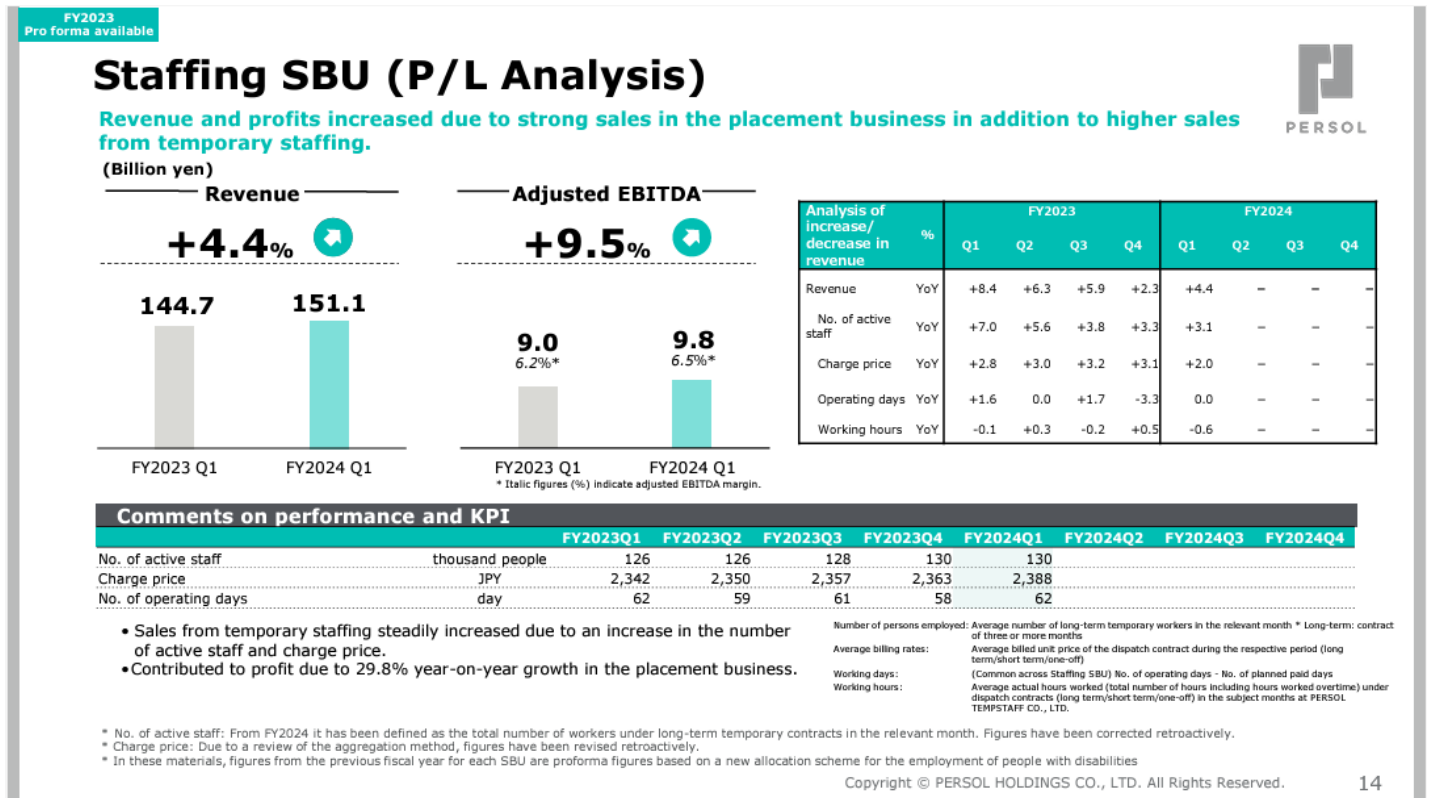
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This is yoy operating profit by SBU. As this is similar to adjusted EBITDA, I will omit explaining about it.

Financial Results by SBU for the Three Months Ended June 30, 2024

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Next is the financial results by SBU and the major KPIs.



Let me start with Staffing SBU, the pillar of our business.


Revenue increased over 4% yoy. We also achieved adjusted EBITDA increase of about 10% yoy. It is mainly because of 30% yoy growth in the placement business. KPIs for temporary staffing are written on the right hand table. Number of active staffs increased by around 3% to 130,000 and average charge price increased by around 2%.

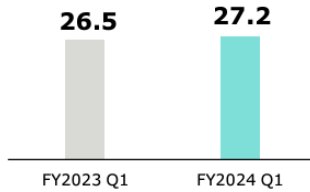
BPO SBU (P/L Analysis)

Revenue increased year on year. The decline in revenue from COVID-19-related projects was offset with organic growth.


(Billion yen)

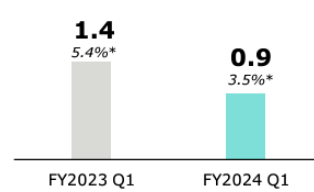
Revenue

+2.8% 



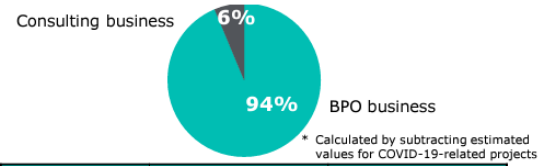
Adjusted EBITDA

-33.0% 



* Italic figures (%) indicate adjusted EBITDA margin.

Composition of sales



* Calculated by subtracting estimated values for COVID-19-related projects

Organic business performance		FY2023				FY2024			
Revenue	Unit	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	B.JPY	26.5	27.6	27.5	29.0	27.2			
Organic*	B.JPY	23.4	24.6	25.4	27.3	26.7			

Comments on performance and KPI

		FY2023 Q1	FY2023 Q2	FY2023 Q3	FY2023 Q4	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4
No. of customers	companies	1,658	1,724	1,894	1,931	2,018			

- Organic revenue was +14.2% compared to Q1 of the previous year, and +22% in the number of customers compared to Q1 of the previous year.
- Adjusted EBITDA declined, reflecting the elimination of COVID-19-related projects and aggressive investment in human resources and systems (454 new graduates were hired in April 2024, a year-on-year increase of +25%).

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The 2nd SBU is BPO SBU. As explained earlier, because of the decline of COVID-19-related projects, profit decreased. However, other than COVID-19-related projects, what we call organic revenue, increased by around 14%. And the number of customers increased more than 20% and we are performing favorably.

Business Topics: BPO SBU



Establishment of New Company



パーソル ビジネスプロセスデザイン

To maximize synergy in the BPO business, three companies were restructured/consolidated.

Establishment of Persol Business Process Design Co., Ltd.

Restructuring/Consolidating the BPO SBU

- On September 1, 2024, Persol Process & Technology Co., Ltd. will be renamed to Persol Business Process Design Co., Ltd.
- On October 1, 2024, the BPO business of Persol Tempstaff Co., Ltd. and Persol Works Design Co., Ltd. will be consolidated.

Persol Business Process Design Co., Ltd.

With the consolidation of three companies into one, expertise and resources will be concentrated to accelerate growth

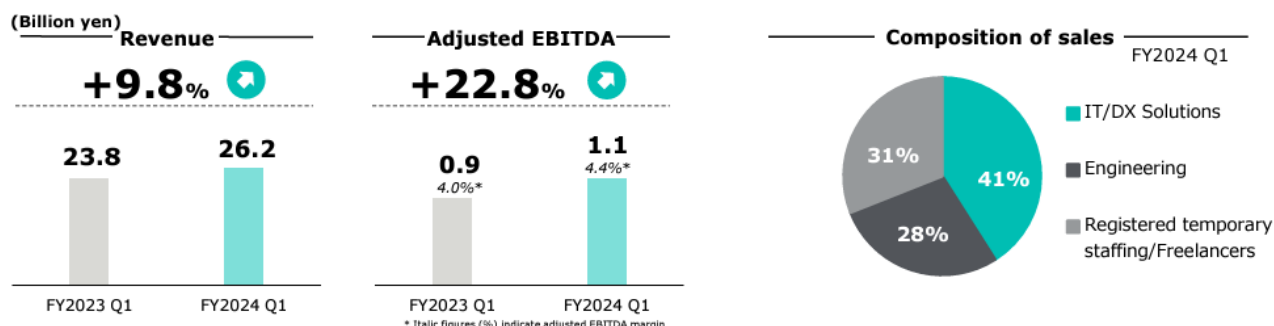
- Leveraging design capabilities in optimizing business processes adapted to the changing market environment as a strength
- Operating four businesses: BPO business, CX business, consulting business, BPaaS/product business

Head Office: Minato-ku, Tokyo Representative: Kazuyuki Ichimura, President and Representative Director
Capital: 310 million yen
Scope of Business: BPO, help desk and contact centers, sales and marketing, business process consulting, HR solutions, healthcare solutions, products

At BPO SBU, we are planning to integrate the companies on this October 1 and the company name is planned to be changed to Persol Business Process Design. We are going to restructure the group organization. However, there will be no changes in the segments.

Technology SBU (P/L Analysis)

Steady increase in engineers, including 672 new graduates



Comments on performance and KPI

	Unit	FY2023Q1	FY2023Q2	FY2023Q3	FY2023Q4	FY2024Q1	FY2024Q2	FY2024Q3	FY2024Q4
IT/DX Solutions	No. of engineers (active engineers)	person-months	2,620	2,740	2,890	2,930	3,200	—	—
	Operating rate (own employees only)	%	83.8%	85.3%	89.1%	90.1%	83.7%	—	—
	Average sales per unit/month (including BP)	1,000 JPY	1,167	1,179	1,166	1,220	1,187	—	—
Engineering	No. of engineers (active engineers)	person-months	3,210	3,260	3,310	3,310	3,440	—	—
	Operating rate (own employees only)	%	89.9%	93.5%	94.1%	94.0%	87.4%	—	—
	Average sales per unit/month (including BP)	1,000 JPY	747	764	815	820	783	—	—
Registered temporary staffing/Freelancers	No. of dispatched engineers (active engineers)	person-months	4,850	4,840	4,780	4,780	4,680	—	—
	Billing rate	JPY	3,851	3,871	3,897	3,936	3,986	—	—

• Both IT/DX Solutions and Engineering performed well, with the number of engineers and average sales per unit increased YoY.

* Figures for the no. of engineers and average sales per unit for IT/DX Solutions have been revised retroactively due to a review of the aggregation method following organizational integration.

* BP: business partners

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The 3rd is Technology SBU. Revenue increased about 10%, adjusted EBITDA increased about 23%. Details are described in the below table. The number of IT engineers increased by around 20%*. Mechanical and electric engineers increased by about 7% to around 3,400 engineers. On the other hand, as is described at the very bottom, the number of registered temporary staffs decreased slightly.

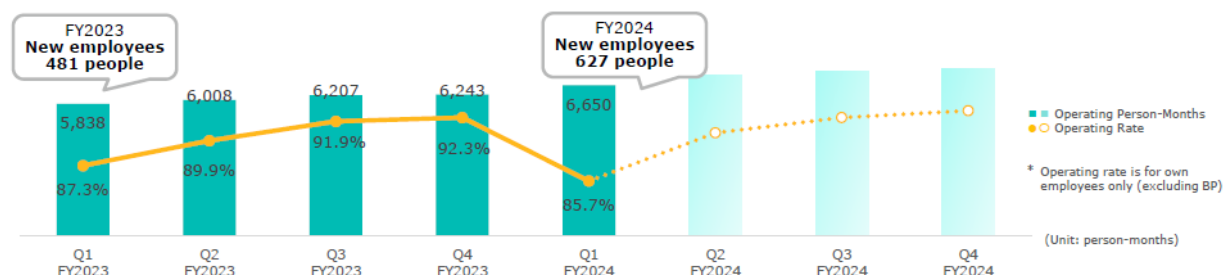
*The IT/DX Solutions business took over the security services business in FY2024. Approximately half of the about 20% yoy increase in the number of engineers is attributable to the succession of the security services business.

Operating Rate and Average Sales Per Unit

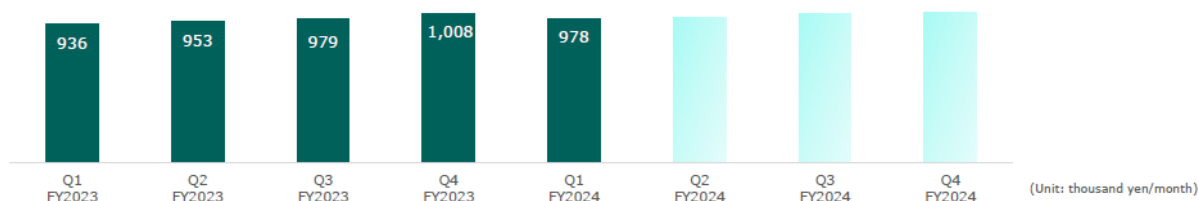
(IT/DX Solutions + Engineering (excluding registered temporary staffing/Freelancers))



Operating Person-Months and Operating Rate (Estimate from Q2 of FY2024 Onwards)



Change in Average Sales Per Unit (Operating Person-Month Basis, Figures from Q2 of FY2024 Onwards are Estimates)



* Average sales per unit = sales / operating person-months

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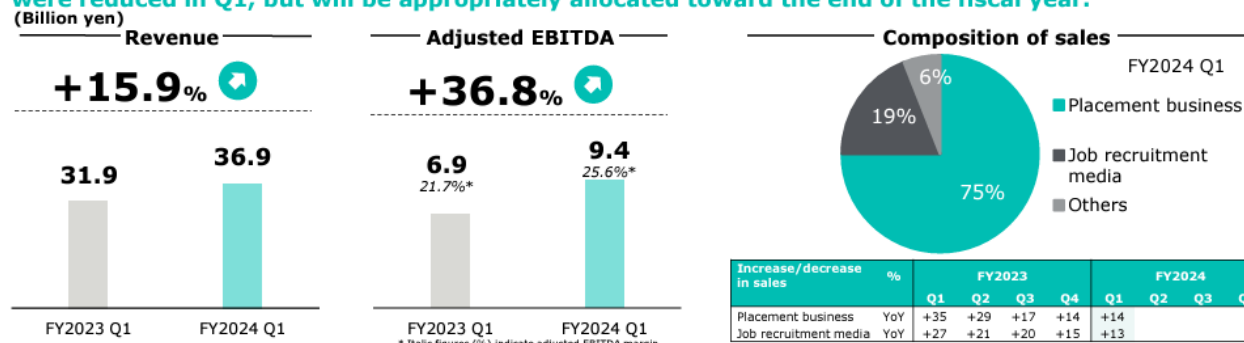
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We have the number of active engineers and their operating rate in the graph. As we had 627 new graduate joiners in April this year, exceeding last year, operating rate will temporarily decrease but we are expecting to see improvement from Q2 onward, just like last year.

Also, as described at the bottom, we were able to raise the average sales per unit by around 4% yoy from last fiscal year's 936 thousand yen to 978 thousand yen.

Career SBU (P/L Analysis)

Revenue increased as expected. Considering market conditions, advertising and other expenses were reduced in Q1, but will be appropriately allocated toward the end of the fiscal year.



Comments on performance and KPI

	Unit	FY2023 Q1	FY2023 Q2	FY2023 Q3	FY2023 Q4	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4
Headcount in the placement business	people	2,104	2,268	2,304	2,355	2,404			
Productivity in the placement business	1,000 JPY	3,190	2,725	2,574	2,732	3,167			

- The trend of job seekers being cautious against the backdrop of wage hikes, etc., and the calming down of the remarkably overheated demand for placement workers after the convergence of COVID-19, etc., remained unchanged from Q4 of the previous quarter.
- HC: +14% YoY for Q1 of FY2024. We control the pace of recruitment while looking at the balance between training and productivity. We have also curbed the turnover rate.
- Productivity: -1% YoY for Q1 of FY2024

* Head count in the placement business is the total number of career advisors, recruiting advisors, project agents and others.

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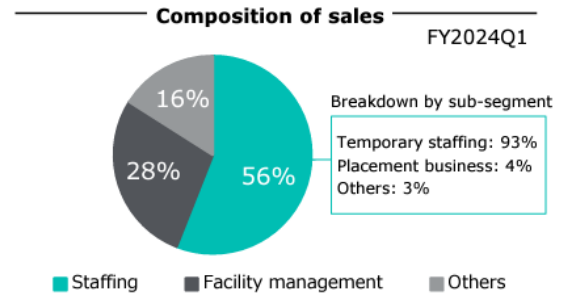
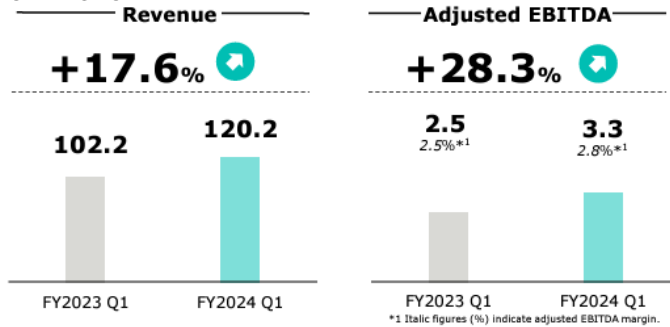
The 4th SBU is Career SBU. As explained at the beginning, there was slight upside compared to the forecasts at the beginning of this year, revenue grew approximately 16% yoy. Adjusted EBITDA increased significantly by 37% to 9.4 billion yen.

As for the KPIs for Career SBU, the number of consultants increased 14% yoy, although we are controlling the hiring of consultants compared to Q4 of last fiscal year. In Q4, productivity of consultants decreased slightly, but compared to Q1 of last fiscal year, productivity has recovered to similar level at 3.16 million yen.

Asia Pacific SBU (P/L Analysis)

The Facility Management Business is operating steadily with increased revenue.

(Billion yen)



Comments on performance and KPI

Staffing

- While the placement business continued to be weak in some countries, temporary staffing basically remained strong in all countries.
- Cost control was implemented in the placement business.
- HC (number of consultants) in the placement business was 1,126 on average in Q1.

Facility management

- The business has steadily grown, with double-digit growth in AUD.

* Exchange rate during the period [Australian Dollar] FY2023 Q1: 91.9 yen, FY2024 Q1: 102.7 yen

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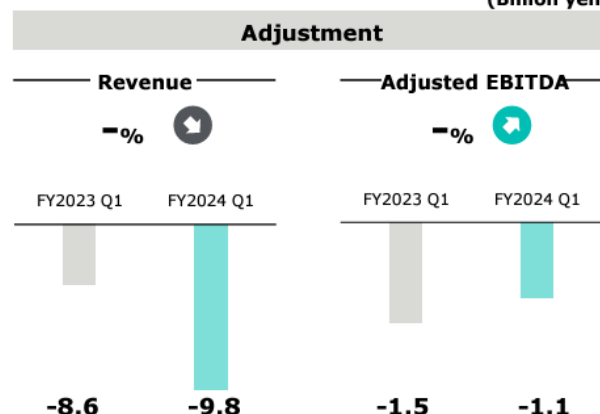
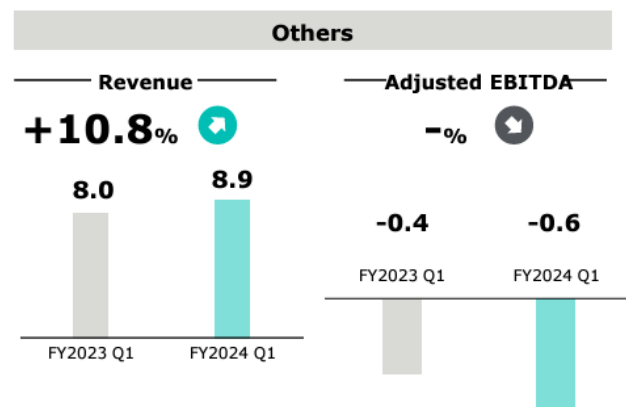
The last is Asia Pacific SBU. Again, as mentioned in the beginning, there was a foreign exchange impact of about 12%, but excluding that, we achieved 5% growth in revenue on a local currency basis. Adjusted EBITDA grew about 28%.

Looking at each of the business, placement business has not yet gotten back to pre-COVID-19 level, but temporary staffing business continues to perform strongly. Revenue of facility management business in Australia grew double digit on a local currency basis.

Others / Adjustments (P/L Analysis)



(Billion yen)



Comments on the quarter (April to June 2024)

- Revenue increased due to growth in each of the R&D Function Unit's businesses.
- Adjusted EBITDA was impacted by expanded investment by the R&D Function Unit

Comments on the quarter (April to June 2024)

-
-

* For details of Others and Adjustment, please refer to notes on segment information, etc. in the Consolidated Financial Results.

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Now, R&D Function Unit included in Others, is making investments mainly in Shareful, and as a result, profit decreased slightly. As for the Adjustment, adjusted EBITDA improved yoy.

Business Topics: R&D Function Unit

New commercial aired for Shareful freelance gig-type job app.
7 million downloads achieved.



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For Shareful, we achieved 7 million downloads.

This is all for the Q1 results.

Group Topics

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[President and CEO Wada] I will continue with the group's topics.

Winning Excellent Award for the First Time at the 6th Platinum Career Awards



PERSOL was recognized for declaring itself to be a "career well-being creation company" and pursuing efforts including career ownership support and the promotion of DEI*

- The Platinum Career Awards recognize companies that support the development of platinum careers, characterized by long-term perspectives, self-directed learning and the resolution of social issues.
- PERSOL was recognized for valuing the concept of "deciding your career yourself," defining "career ownership" as the intentions and actions of each employee to proactively shape their own career, and for providing wide-ranging support enabling employees to develop their own careers in a self-directed fashion.



Details are available [here](#)

* DEI : Diversity, Equity & Inclusion

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We won Excellent Award for the 1st time at the 6th Platinum Career Awards. We were recognized for declaring to be a "Career Well-being" creation company, and pursuing efforts proactively including career ownership support and the promotion of DEI. As a result, we were able to receive Excellent Award at Platinum Career Award.

Winning at '9th HR Technology Awards' & '13th Japan HR Challenge Awards'



PERSOL's Career Ownership Support Platform

■ The HR Technology Awards recognize outstanding efforts in Japanese HR technologies and personnel big data (analytics), with the aim of contributing to the evolution and development of the field.

■ PERSOL has developed a direct recruiting-type transfer system through a unique career ownership support platform, and the platform was recognized as an initiative that improves employee engagement and energizes the labor market within the PERSOL Group.

Details are available [here](#).
(Only available in Japanese)



「Japan HR Challenge Awards」 Award for Excellence in Human Resource Management

■ Award for companies that are proactively implementing outstanding new initiatives in the area of human resources

■ Recruitment departments directly scout for 25,000 employees in Japan The "Career Scout System," in which the recruiting department directly scouts employees, was highly evaluated as an excellent initiative that will bring about a revolution in the recruitment process, utilization of human resources, and career development methods.

Details are available [here](#).
(Only available in Japanese)



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At the same time, we received the 9th HR Technology Awards and the 13th Japan HR Challenge Awards. We won the Excellent Award for Human Capital Management and also Excellent Award for Human Resource Management respectively. We prepared a platform for creating a system that helps foster career ownership and allows individuals to make their own choices about how they work. The HR Technology Award was given first and foremost in recognition of the efforts of the platform and the results achieved in improving engagement.

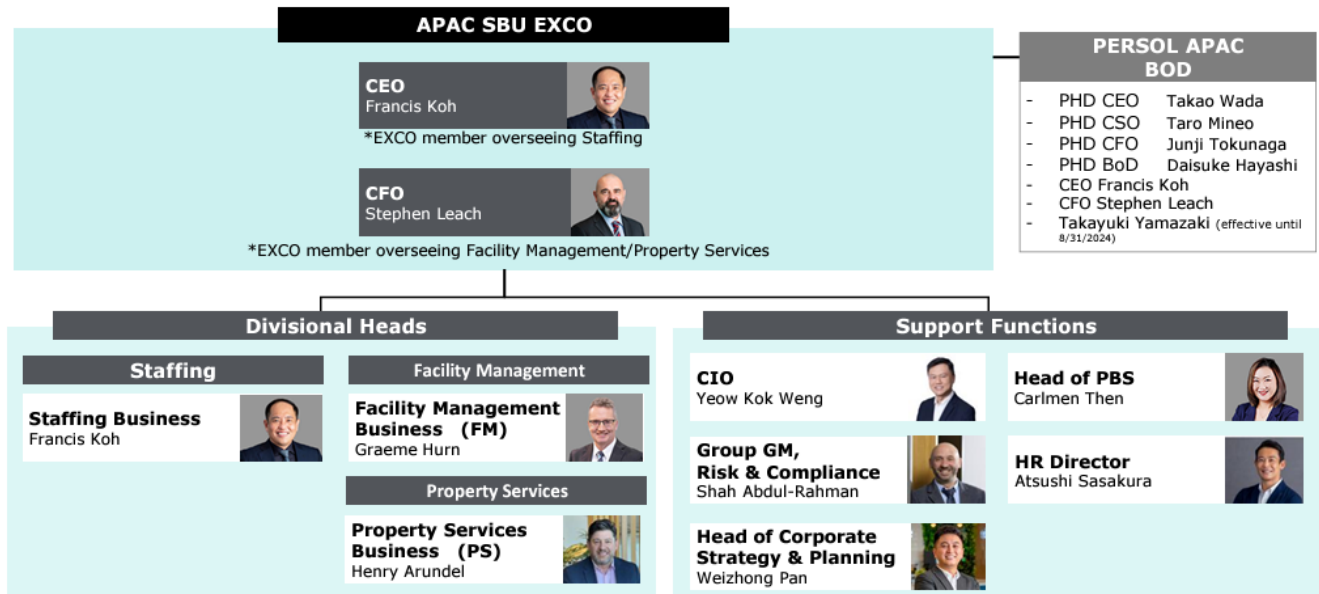
We also set up a career scout system. When an individual registers for a career, somebody in the company, in another division, or group company can scout them. This was highly recognized as achieving results in enhancing employee engagement, and as a result, led to winning the award.

We will continue to promote these initiatives as human resources platform to be able to show case the human resources related actions.

New APAC Structure



■ Transitioned to new structure from August 1, 2024



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Last of all, we transitioned to a new structure in APAC from this August 1, so I would like to update you about it.

We promoted Mr. Francis Koh, who has been overseeing staffing Business in APAC to CEO of Asia Pacific SBU and at the same time, welcome him as an executive officer of Persol Holdings to build a structure to further promote APAC business and to drive growth.

His predecessor Mr. Yamazaki will graduate from Persol Group on this August 31. We will further globalize the executives and the board members, and proactively accommodate diversity to reinforce our business format.

That is all from me today. Thank you.